

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6864

BILL NUMBER: SB 275

NOTE PREPARED: Jan 5, 2008

BILL AMENDED:

SUBJECT: Mortgage Lending Issues.

FIRST AUTHOR: Sen. Lawson C

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: *Adjustable Rate Home Loan-* The bill provides that for an adjustable rate home loan that is closed after June 30, 2008, the creditor may not charge the borrower prepayment fees or penalties that are due and payable after the earlier of: (1) one year after the date of the closing of the loan; or (2) 60 days before the first scheduled adjustment of the loan's rate.

Real Estate Brokers- The bill provides that a person may not do either of the following unless the person is licensed in Indiana as a real estate broker or salesperson: (1) Conduct an open house in a home that is listed for sale in Indiana. (2) Conduct an open house or show a model home in a neighborhood or subdivision in which similar homes are or will be listed for sale in Indiana.

Certified Copy of Praeipie and Sale of Properties- For a mortgage foreclosure proceeding initiated after June 30, 2008, the bill requires: (1) the clerk of the court to certify to the sheriff a copy of the judgment or decree not later than five business days after the praecipe is filed; and (2) the sheriff to conduct a sale of the property not later than 90 days after receipt of the judgment or decree.

Effective Date: July 1, 2008.

Explanation of State Expenditures:

Explanation of State Revenues: *Real Estate Brokers-* This provision would have an unknown impact on state revenues generated by real estate broker licensing fees. If more persons were to apply for a license, fee revenue would increase.

Background- As of October 2007, there were 10,004 principal brokers, 6,025 associate brokers, and 30,421 salespersons licensed by the Real Estate Commission. The brokers' fee is \$60, and the salespersons' fee is \$35. Both types of licensees pay a \$15 recovery fee in addition to the other fees listed. FY 2007 revenue from realtor fees totaled \$1.1 M.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Certified Copy of Praeipie and Sale of Properties-* This provision could speed up sheriff sales of property. Any administrative costs for clerks to provide certified copies of a praecipe to sheriffs would be minimal.

State Agencies Affected: Professional Licensing Agency (Real Estate Commission).

Local Agencies Affected: Circuit Court Clerk.

Information Sources: *Handbook of Taxes, Revenues, and Appropriations*, Legislative Services Agency.

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